



DISASTER NEWS

Economic Injury Loans for Small Businesses

Release Date: April 1, 2005
Release Number: 10075-01-CA

Contact: Rick Jenkins
Phone: (916) 735-1500

Disaster Assistance Available for Small Businesses

Sacramento, CA – Small, non-farm businesses in the California counties of **Marin** and **Sonoma** are now eligible to apply for low interest disaster loans from the U. S. Small Business Administration (SBA). These loans are to offset economic losses because of reduced revenue to farmers and ranchers caused by adverse weather, such as sporadic rain, high winds, and periods of excessive heat combined with unseasonable winds in Marin County beginning January 1, 2004 and continuing, announced Alfred E. Judd, SBA Disaster Area Director.

Small businesses may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred. “Eligibility for these working capital loans is based on the financial impact of the disaster only, and not on any actual property damage. These loans have an interest rate of 3.061%, a maximum term of 30 years, and are restricted to small businesses without the financial ability to offset the adverse impact without hardship,” Judd said.

By law, SBA makes EIDLs available when the U. S. Secretary of Agriculture designates an agricultural disaster. Secretary Mike Johanns declared this disaster at the request of Henry Renteria, Director of the California Office of Emergency Services, on behalf of Governor Arnold Schwarzenegger.

Businesses primarily engaged in farming or ranching are ineligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency (FSA) about the U. S. Department of Agriculture (USDA) assistance made available by the Secretary’s declaration.

The deadline to apply for these loans is **October 24, 2005**.

For more information on SBA’s disaster assistance programs, individuals and business owners may call toll-free **(800) 488-5323**. Hearing impaired individuals may call **(916) 735-1683**.

For more information visit SBA’s website at www.sba.gov/disaster.

###